HEALTH

# HEALTHCARE – MEDICAL EQUIPMENT AND SERVICES

## Market Overview and Trends

- Jordan's total expenditure on health is estimated at $325 million, around 9% of total GDP.
- $168 million of government expenditure on public health of which $67 million in medical devices.
- The average per capita spending is around $1,657 per year.
- Jordan's health care system is regarded as one of the best in the region. Jordan is striving to become a medical hub/tourism for the Middle East by offering relatively high-quality care at comparatively inexpensive rates.
- The total number of patients came to Jordan for treatment was 109,215 in 2002 and 112,300 in 2003 generating a total revenue of JD 400,000,000. As per the experts in the field, the total number of the patients came to Jordan in 2004 was expected at 115,000. According to MoH statistics, the top beneficiary regions are: GCC, Yemen, North Africa, Palestine, and others.
- There are highly potential investments in hospital projects, both public and private, across the country. USAID and WHO are major players, among other donors, in funding upgrades in healthcare service and supporting reforms to Jordan's healthcare system.
- The Ministry of Health, private hospitals and clinic operators show great interest in contacting U.S. manufacturers of medical equipment.
- Jordan is a leader in cardiology and cardiovascular surgery, laparoendoscopic surgery, kidney transplantation, ophthalmology, neurosurgery, plastic surgery, oncology and many other areas. One growth area in Jordan is aesthetic procedures and related products.
- As part of the Jordanian Government's health sector reform, sales of medical equipment and service by foreign suppliers are expected to continue to increase during 2002-2006. The Ministry of Health (MOH) plans to continue to invest on hospital infrastructure throughout the country, improving the quality of health care and hospital services and developing and implementing health information system. Purchases will consist of a variety of equipment including sophisticated laboratory diagnostic, laboratory reagents, testing equipment, cardiology equipment, hospital furniture as well as other laboratory equipment.

## Medical Equipment and Services

| Items (US$) | 2002 | 2003 | 2004* |
|---|---|---|---|
| Total Imports | 35,262,038 | 37,366,312 | 39,234,628 |
| Local Production | N/A | N/A | N/A |
| Total Exports | 1,136,480 | 483,198 | 500,000 |
| Total Re-Exports | 11,158,908 | 28,476,713 | 32,000,000 |

Sources: Department of Statistics, Central Bank of Jordan.
* 2004 numbers are estimated

## U.S Position

- U.S. products in this sector lead the Jordanian market. Most major international brands are represented. In fact, local distribution generally represent & market more than one brand.
- The great receptivity to U.S. medical equipment, and in general to medical products, is due to the good reputation that U.S.-made products have traditionally enjoyed for high quality & after-sales service. In addition, many Jordanian physicians have received some form of medical training in the U.S., giving U.S. products good exposure, in the x-ray & cardiology areas.
- U.S. companies will remain competitive in the high-end of the market as technology advances. U.S. products are increasingly sought after due to the drop in the dollar vis a vis the euro.

## Principal Players

- Public Sector:

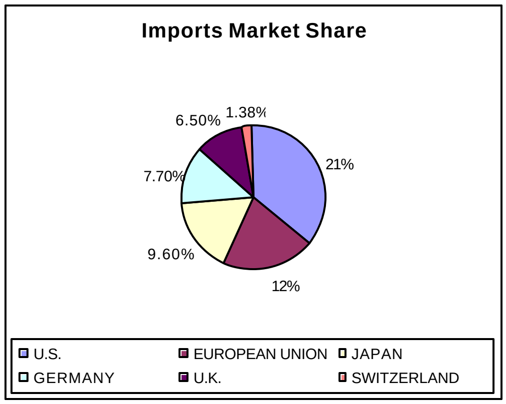
The Ministry of Health oversees the entire sector. Reporting to the Ministry of Health are Royal Medical Services (RMS), Jordan University Hospital (JUH), and King Abdullah University. The public system provided healthcare to approximately 60% of Jordan's population (Jordan's total population is 5.6 million)

- Private Sector

40% of the Jordanian population participates in the private healthcare system.
For-profit medical centers, clinics, hospitals, laboratories and pharmacies.
In addition, the United Nations for Relief and Work Agency (UNRWA) and several non-government organization "NGO" deliver health care services to Palestinian refugee.

## Competitors

The U.S. continues to be, Jordan's most important Supplier of medical equipment and services, with approximately 21% of the import market., followed by European Union 12%, Japan 9.6%, Germany 7.7%, UK 6.59% and Switzerland 1.38%.



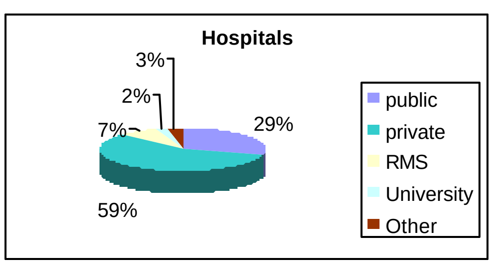

(percent for US and Major Competitors). Competition in this sector comes from European and Asian producers.

## Market Access

- All types of medical equipment imported into the local market are exempted from customs duties.
- All imported medical products are subject to sales tax of 16% if they are procured from a local distributor.
- Ministry of Health sets technical rules and specifications applicable to all medical equipment to ensure that all products being sold to Jordanian end users meet the requirements of safety and quality.
- Medical equipment imported into Jordan are subject to testing and certification requirements developed by the Ministry of Health / Jordan Food and Drug Administration.
- Local distributors usually use Letters of Credit (L/C) when dealing with foreign suppliers of medical equipment. A grace period of 30 to 90 days is granted to local distributors to settle their accounts.

## End User

- The main end users for medical equipment are: Hospitals (private and public), specialized centers, and private clinics.



## Commercial Opportunities

- Best Project Prospects

Attractive projects expected to come on line within the next five years in the private and public sector include Prince Hamzeh Hospital/ MoH - 450 beds, Drugs Quality Control Laboratories/ MoH, Queen Alia Heart Institute extension/ Military - 70 beds, Al-Bashir renovation and remodeling/ MoH - 850 beds, Pediatric Children Hospital-National One/ Military, and Wadi Saqra Consulting Hospital/ Private - 105 beds.

- Best Services Prospects

- Consulting in hospital administration, quality control and certification standards
- Training
- Hospital software for hospital administration and laboratory test results

- Best Product Services

Given the hospital redesign projects and private clinics investments the following equipment offers excellent sales prospects.

| HS # | |
|---|---|
| 9018 | Medical Equipment; C-T Scanners; MRI; PET Scanner; Physiological monitoring; Kidney Dialysis equipment; Laparoscopy surgery; Endoscopy; Cardiology; Cardiology surgery; Ophthalmology; Neurosurgery; Oncology; Medical Supplies; Electromedical Equipment; Other Medical & Equipment Instruments; Other Electro-diagnostic Apparatus ; UV/IR Apparatus; Surgical Medical Equipment; Radiology and Imaging equipment; Sonography equipment; Endoscopy equipment and flexible scopes; Anesthesia and operating theatres; Laparoscopic surgery; Hospital/ Clinical furniture; Sterilization equipment; and Surgical instruments. |
| 3926 | Plastic surgery (Gloves) |
| 7017 | Clinical laboratories Tubes/Glasses |
| 8419 | Medical Surgical Sterilizers |
| 9022 | Medical x-ray, Alpha, Beta, Gamma Ray Equipment |
| 9021 | Orthopedic & Prosthetic Appliances |
| 9027 | Clinical Lab Diagnostic Equipment; and Clinical laboratories Equipment |

* Above HS codes includes specific products that are under continuous replacement include.

## Other Resources

- U.S. Department of Commerce, Healthcare Technologies Team: Julieanne Hennessy email Julieanne.Hennessy@mail.doc.gov
- The Jordanian Ministry of Health www.moh.gov.jo
- The Jordanian Association of Manufacturing of Pharmaceuticals & Medical Appliances www.japm.com
- Jordanian American Business Association www.jaba.org.jo
- Jordan Investment Board www.jordaninvestment.com/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